



SEN. GEORGE RUNNER (RET.)

MEMBER
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

January 28, 2013

The Honorable Ted Gaines
California State Senate
State Capitol
Sacramento, CA 95814

RE: SUPPORT SB 125 (Gaines)

Dear Senator Gaines,

I am writing in support of your Senate Bill 125. This legislation will partially repeal an illegal tax, the Fire Prevention Fee (ABx1 29, 2011), and ensure that rural Californians are not taxed a second time for services they are already paying for through local property taxes or special district taxes.

Many counties, cities and districts contract with CAL-FIRE for fire protection services and pay a substantial fee funded through property taxes. The additional increased tax imposed by ABx1 29 places more burdens and costs on CAL-FIRE and the State Board of Equalization while providing no additional fire protection for Californians.

The first round of Fire Prevention Fee bills, for the 2011-12 year, were mailed to property owners late last year. As of this writing, the fee had collected \$69 million in payments, far short of the \$85 million assumed in the Governor's budget. Twenty-two percent of the bills are currently overdue, indicating that the process of collecting the fee will be lengthy and expensive. In addition, the Howard Jarvis Taxpayers Association is currently challenging the fee in court on the basis that ABx1 29 unconstitutionally bypassed the 2/3 legislative vote requirement required for tax increases. If litigation is successful, the state will likely be required to repay fees already collected with interest.

While I would prefer that this tax be repealed completely, this bill will ensure that those Californians who already pay for fire services through a local district are not taxed a second time.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Runner".

GEORGE RUNNER
Second District